



Reference Materials

for the Fiscal Year Ended December 31, 2023

February 2024

OUTSOURCING Inc.
Securities Code: 2427/TSE Prime Section

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Our Group's Social Responsibility and Significance

Group Mission

Corporate Principles

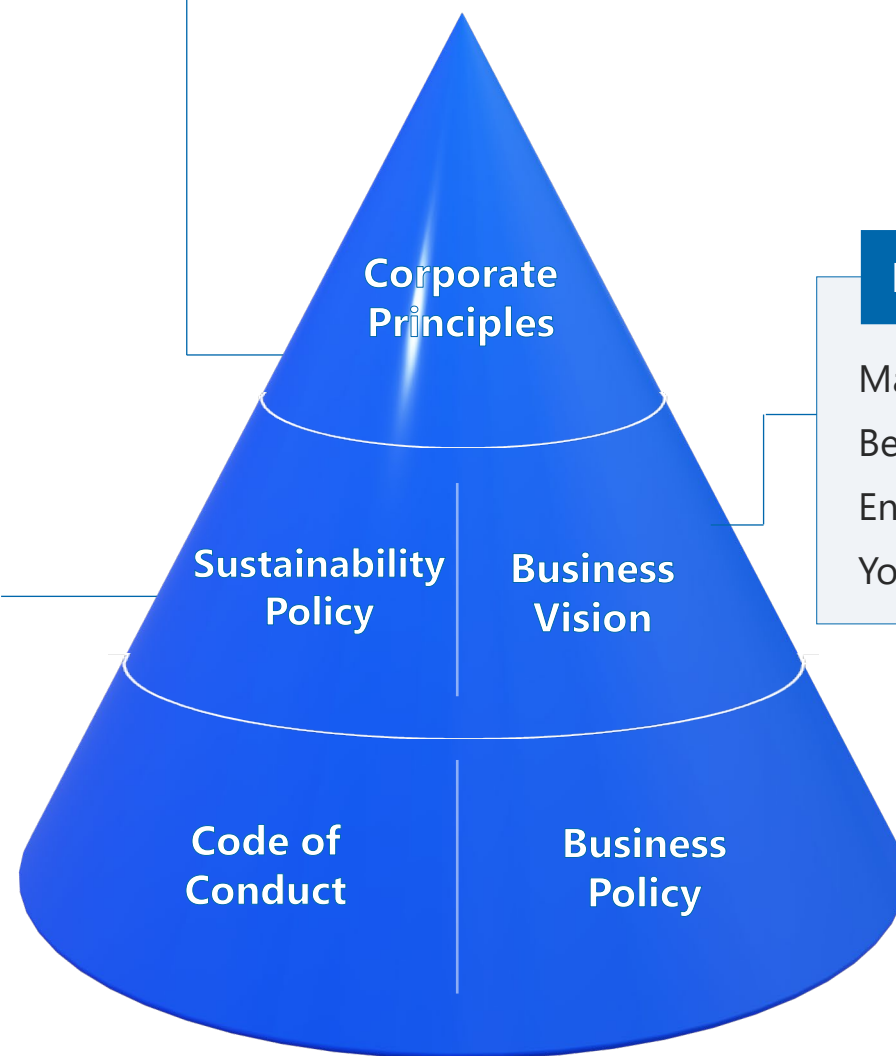
Enhancing the quality of life of everyone around the world by eliminating inequalities in working conditions and creating truly motivating workplaces.

Sustainability Policy

The Outsourcing Group is committed to corporate activities that will create **“job opportunities”** and **“education opportunities”** for many people around the world, through which we will seek to tackle the society's challenges, develop our business, and contribute to the benefit of our stakeholders in a sustainable manner.

Business Vision

Manufacturing Outsourcing Business: **“WORKING”**
Beyond Borders
Engineering Outsourcing Business: **WORKING** Enables
You to Craft **“Your Future”**



Contribution to the SDGs

In line with the Sustainability Policy of the OUTSOURCING Group, we pledge to contribute to the realization of a sustainable society, as we set forth in the OUTSOURCING SDGs Declaration made on February 15, 2021.

The OUTSOURCING Group SDGs Declaration

Our Group supports the Sustainable Development Goals (SDGs) proposed by the United Nations and the SDGs Action Plan 2020 set by the Japanese government. We will contribute to the realization of a sustainable society by actively engaging in SDGs through our businesses, emphasizing ESG in business management, and conducting corporate social responsibility (CSR) activities that are rooted in the local community and country.

Our Group's corporate principles are **to enhance the quality of life of everyone around the world by eliminating inequalities in working conditions and creating truly motivating workplaces**. These principles reflect our wish to develop globally competitive talents and eliminate inequalities in working conditions through enhanced education programs so that every person in the world can aspire toward his or her own life plan and live a rich and fulfilling life.

We are keenly aware that the essence of our business lies in solving the social issues that stand as obstacles against these principles. We will strive to enrich people's lives by creating job opportunities and education opportunities for many people around the world, as well as enhancing each person's productivity through the power of technology and education. As part of this aim, we have adopted the following goals proposed by the United Nations as our priority issues and will work on contributing to the achievement of the following goals.



Contribution to the SDGs

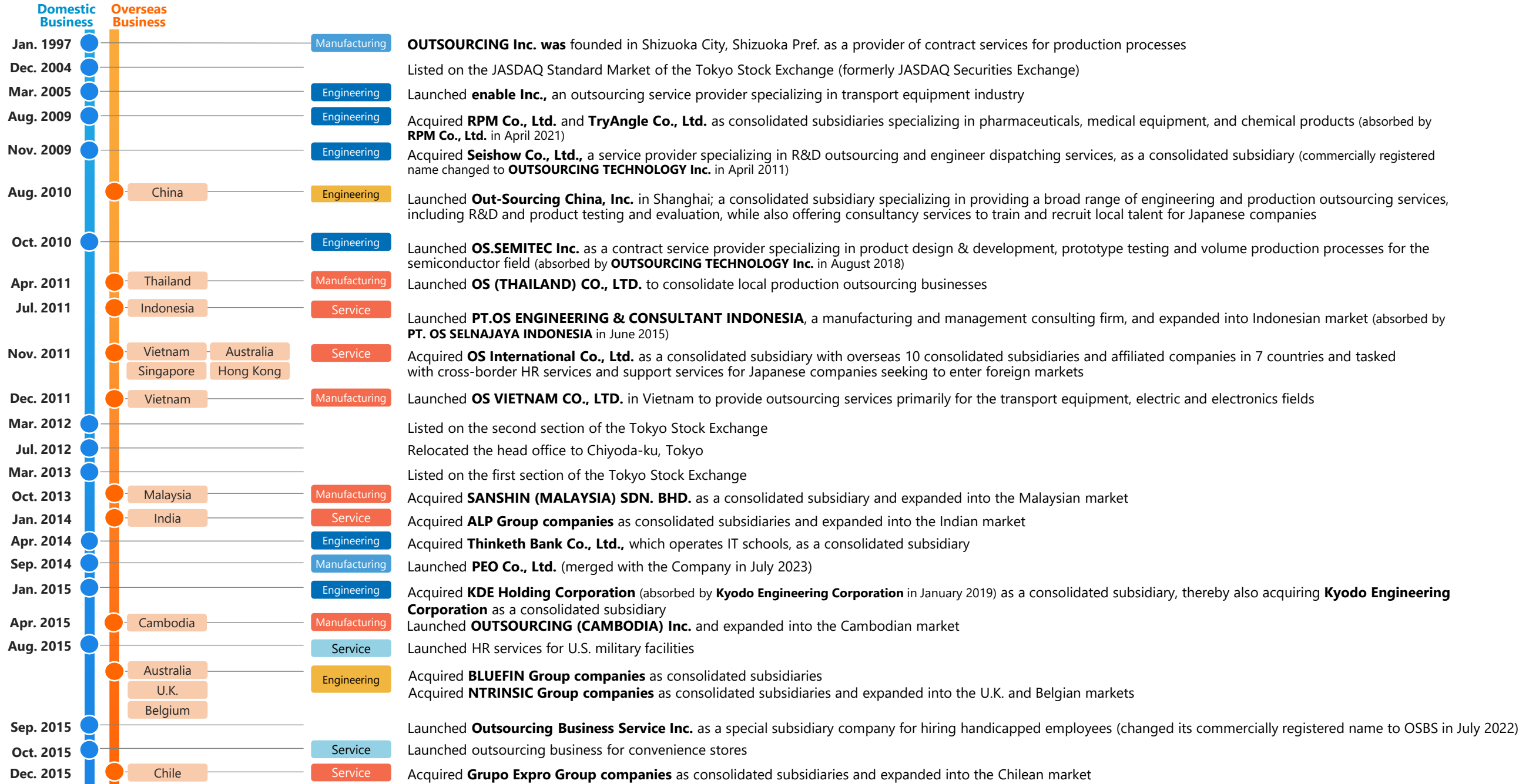
We have identified materiality (priority issues) that we should prioritize through our business to address the issues of the SDGs, established KPIs, and are promoting efforts toward their achievement.

■ Materiality and KPIs

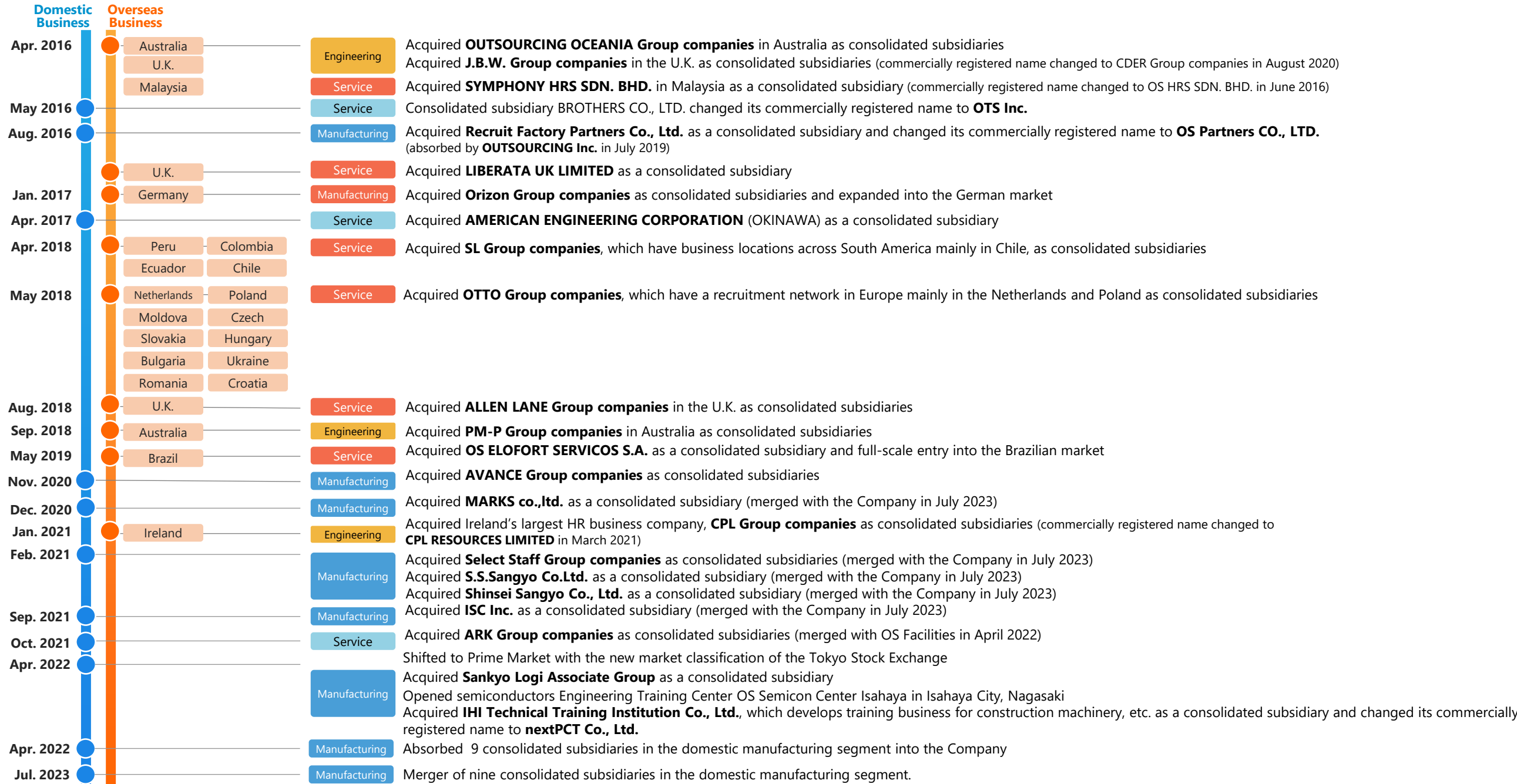
1. Providing job opportunities - Non-Japanese residents contribute to solving Japan's growing labor shortage. We will provide employment support to 300,000 non-Japanese residents by 2024 and 500,000 non-Japanese residents by 2030. - Through the power of education and technology, we will successfully support the career change from labor-intensive industry worker to the specialized talent of 30,000 people by 2030.	
2. Providing high-quality education To provide high-quality education opportunities for achieving career advancement, we will provide our global training program to a total of 300,000 users by FY2030. Through this effort, we will support employment in productive positions and contribute to increasing people's motivation at work.	
3. Respecting diversity and implementing diversity management As the OUTSOURCING Group, we will promote and strive toward achieving a society in which women can actively participate. We will increase the percentage of women directors (management team members) in the Group to 30% by FY2030.	
4. Making greater efforts toward the realization of a carbon-free society By FY2025, we will replace all vehicles used in sales activities by domestic group companies with next-generation vehicles (electric, hybrid, etc.). By 2030, 70% of the vehicles used by the entire group, including our overseas companies, will be next-generation vehicles.	
5. Raising the productivity of all industries By using leading-edge digital technologies and our expertise in production that we have developed through experience in various industries worldwide, we will train 100,000 people by FY2030 across the world to become specialized talents who can improve the productivity of industries. Under this scheme, we will contribute to raising the productivity of the entire world.	

OUTSOURCING Group Expansion Corporate History

Founding - 2015



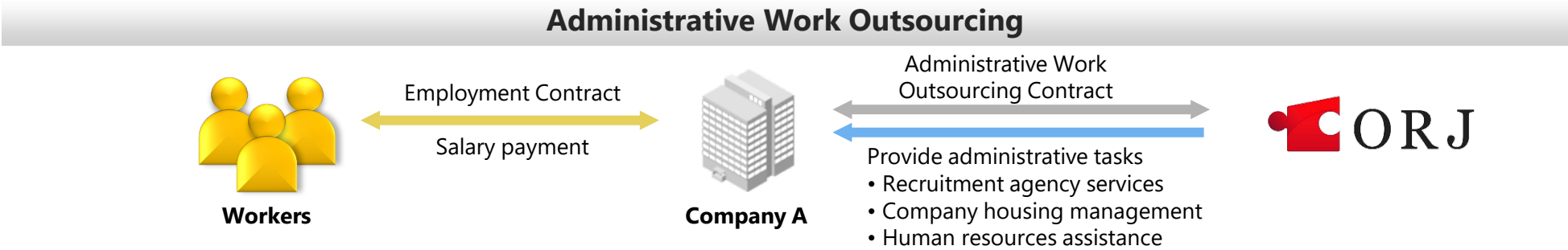
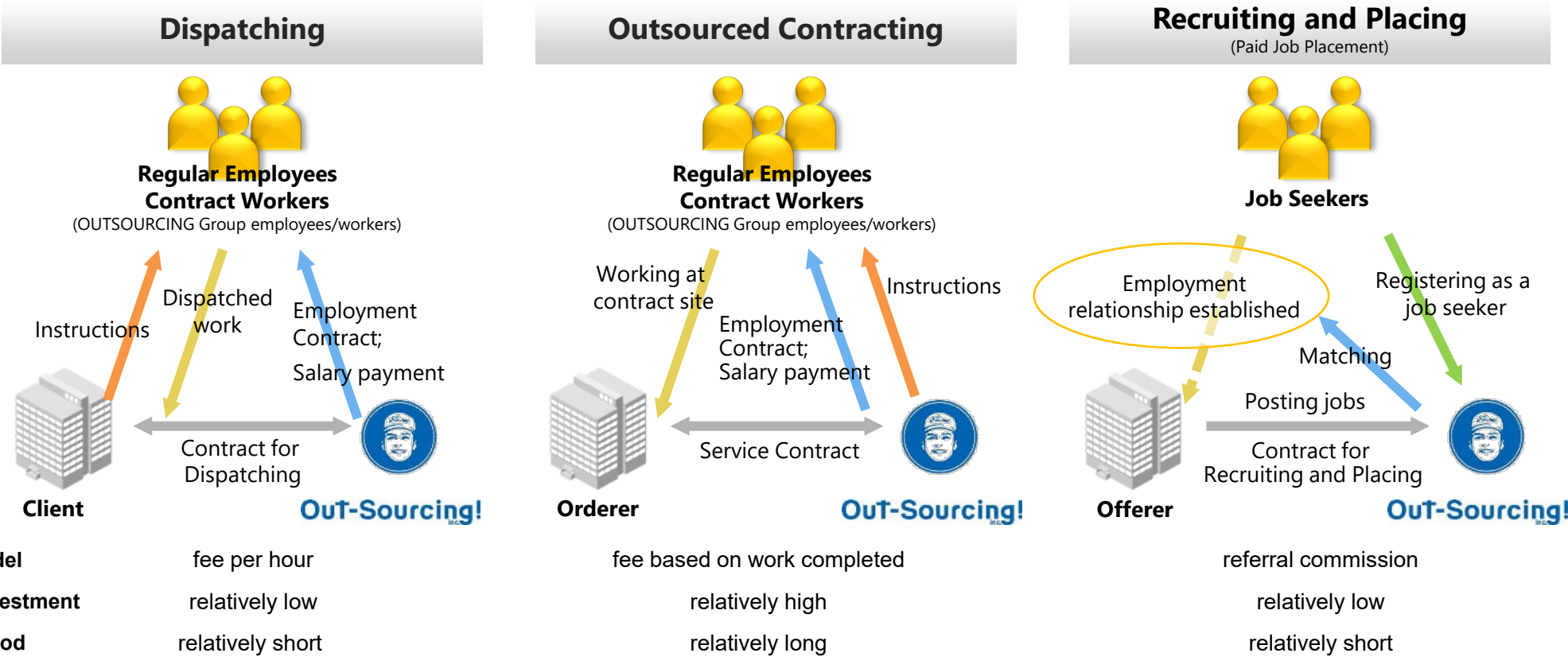
2016 - Present



Environment Surrounding Domestic HR Services Industry and Our Business Opportunities

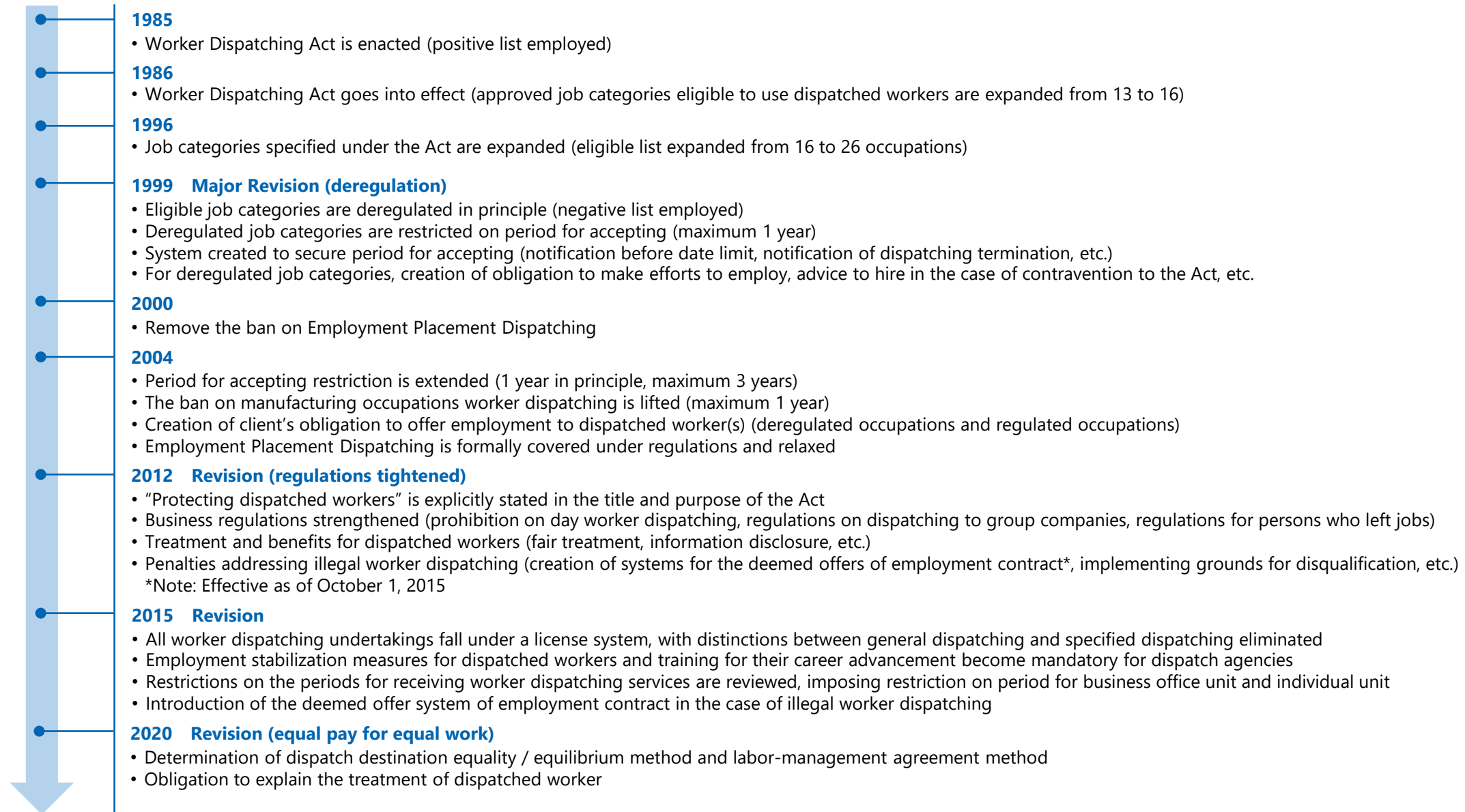
Major Employment Formats

Major Employment Formats for Our Domestic Outsourcing Business



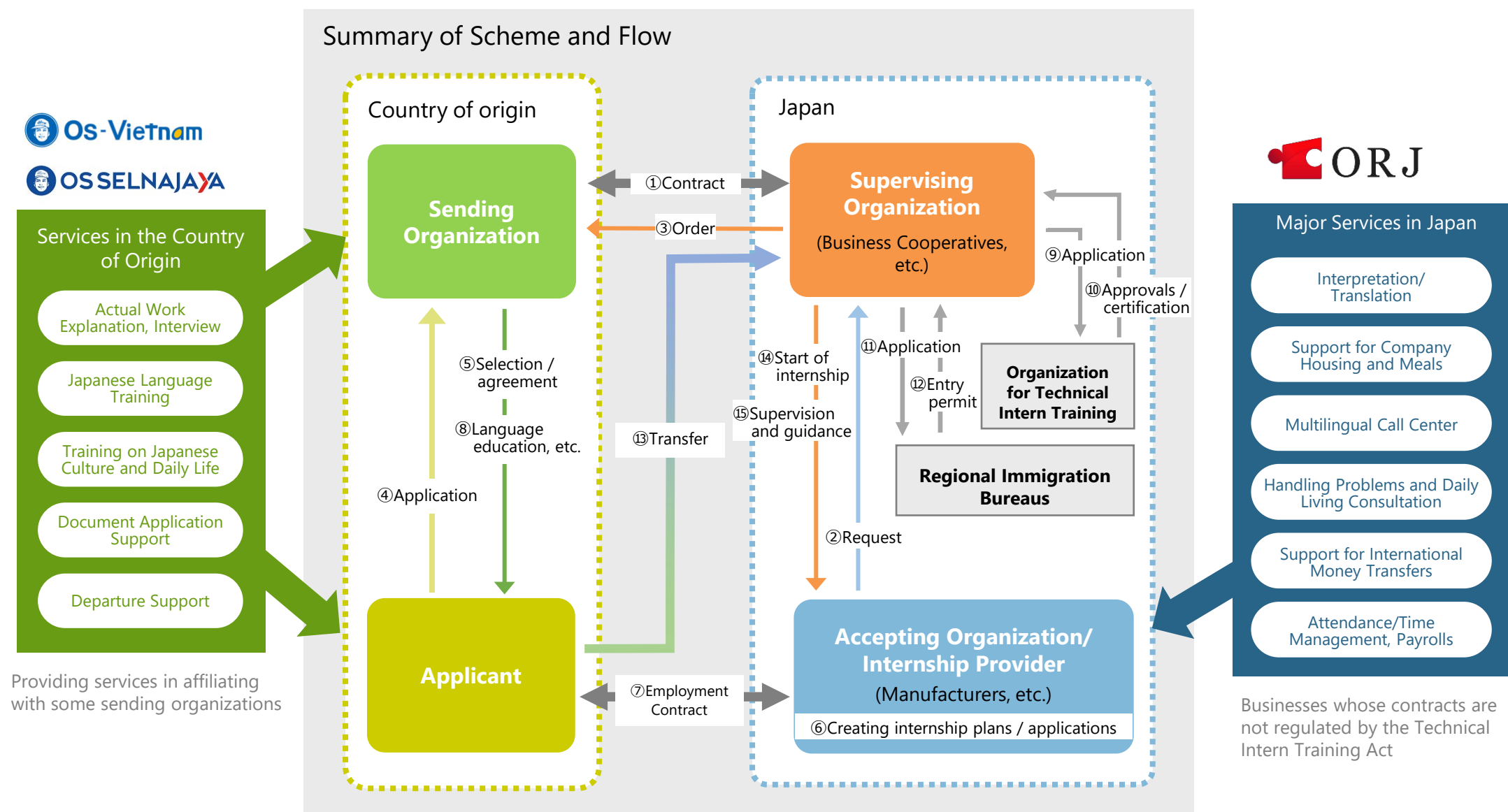
History of Legal and Regulatory Framework

● Revisions to the Worker Dispatching Act



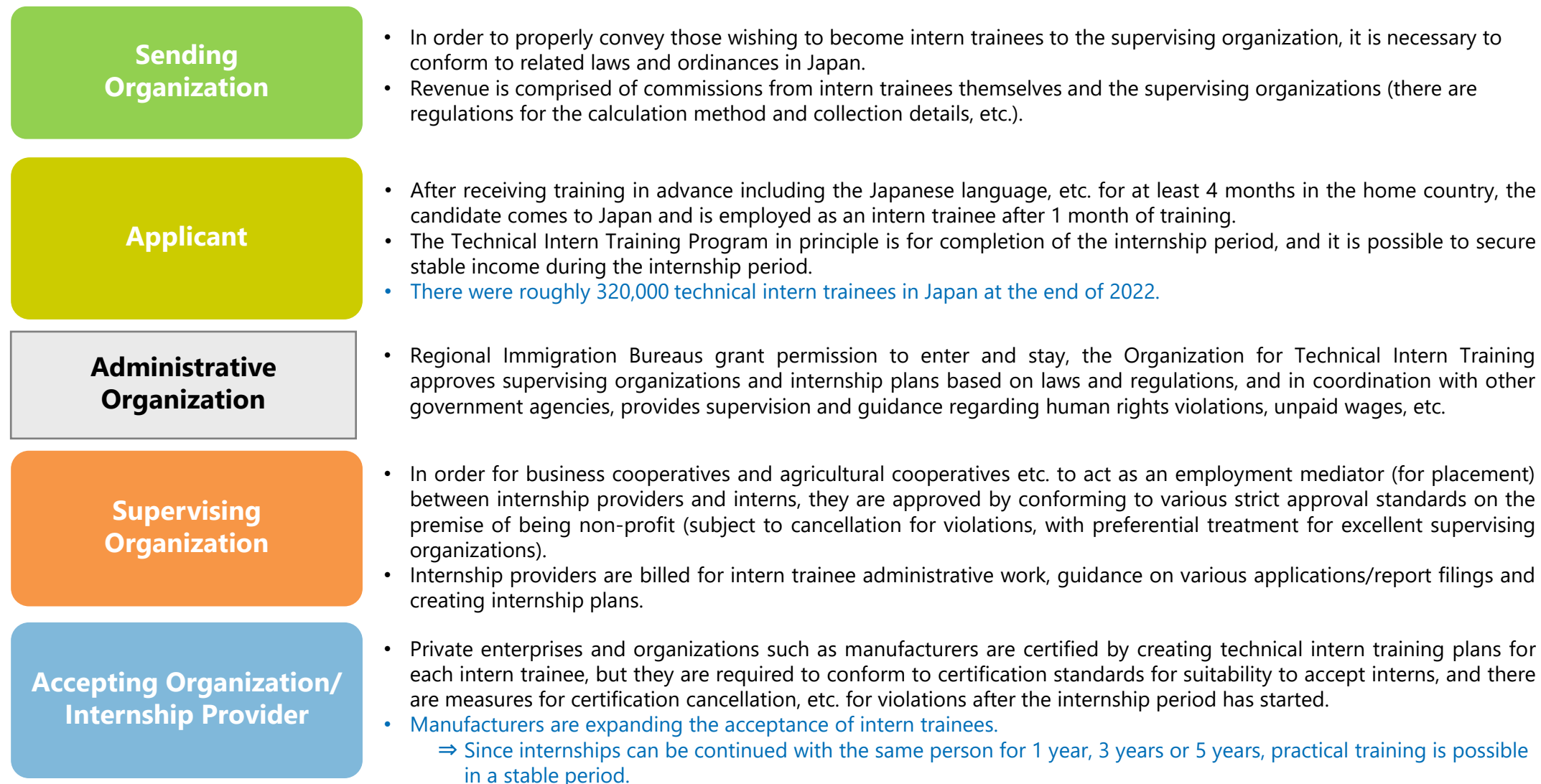
Outline of Technical Intern Training Program (1)

● Outline of Technical Intern Training Program (Current)



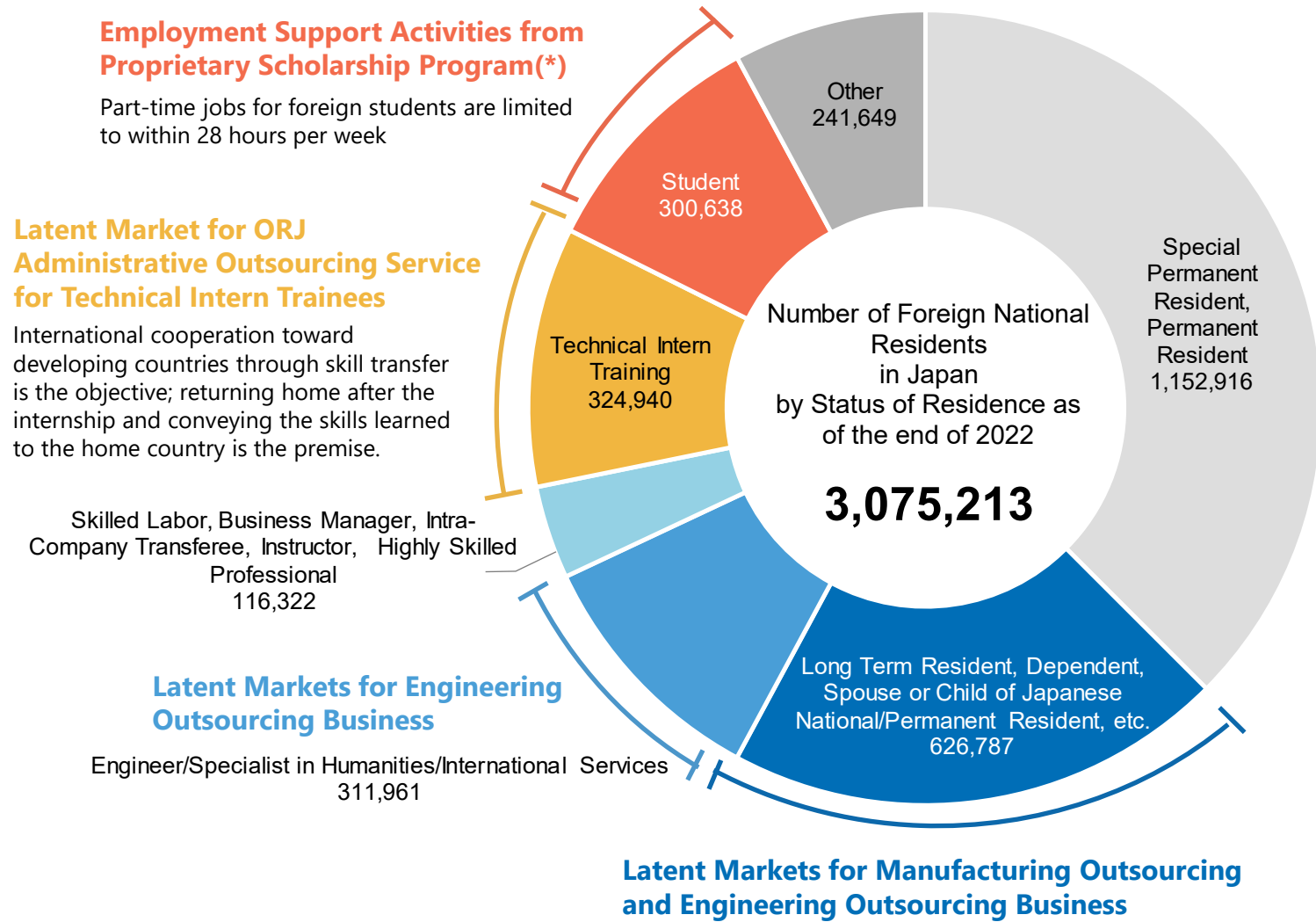
Outline of Technical Intern Training Program (2)

● Related Organizations



Outline of Foreign National Residence Status (Visa Status) and Potential for OUTSOURCING Group

Foreign National Residence Status (Visa Status) Related to OS Group, Newly Established Specified Skilled Worker Status



In order to resolve critical labor shortages concerning specified fields, raise productivity, and realize HR development reform, the Specified Skilled Worker status has been newly established since April 1, 2019 (targeting to receive up to a maximum of 345,150 over 5 years).

⇒ Latent markets for Manufacturing Outsourcing, Engineering Outsourcing, and ORJ Administrative Outsourcing Service



- Specified Skilled Worker (i)**
Foreign nationals with a level of skill that can be put to use immediately for a certain degree of work without receiving special training
5 years in total
- Specified Skilled Worker (ii)**
Foreign nationals who can oversee operations as supervisors and who can put to work expert skills
Renewable, can bring family members along

Source: Compiled by the Company from the Ministry of Justice's "Regarding the number of foreign nationals in residence as of the end of 2022"

Note* Through the International Human resource Network Organization Foundation (IHNO), scholarships are paid to foreign students who work while studying. They provide support for foreign students from overseas studying and living in Japan, and for job hunting after graduation.

International Financial Reporting Standards (IFRS)

Impacts of IFRS 16 “Leases” on OUTSOURCING Group

Change in IFRS 16 (Lease accounting)

- ✓ According to the decision of the International Accounting Standards Board (IASB), companies complying with International Financial Reporting Standards (IFRS) are required under IFRS 16 to recognize lease (right of use) as an asset and record lease liabilities for all lease transactions except for short-term and low-value assets lease from fiscal year beginning January 1, 2019 onward. (Lease assets are subject to depreciation instead of being recorded as expense)

Impacts of Change in IFRS 16 (Lease accounting)

- ✓ Total assets increase by bringing lease on the balance sheet as an asset, which results in deterioration of financial indicators, including equity ratio
- ✓ Accounting process becomes more complicated

Legal Disclaimer

This material contains forward-looking statements such as earnings estimates and plans made by the Company, which are based upon the best available information as of the date of the presentation of this material. Therefore, the actual results may differ from the plan and the estimate values due to various factors in the future. Note that the contents of this material are relevant as of the date of this document (or a date specified separately therein) and are subject to change without advance notice. Also, the information described in this presentation other than corporate information of the Group has been compiled by the Company based on publicly available sources, and we have not verified and will not guarantee the accuracy or appropriateness of such information.

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